



DEPARTMENT OF THE TREASURY  
WASHINGTON, D.C. 20220

April 26, 2019

The Honorable Ron Wyden  
Ranking Member  
Committee on Finance  
United States Senate  
Washington, D.C. 20510

Dear Senator Wyden:

I write in response to your March 29, 2019 letter further inquiring about Russian oligarch Oleg Deripaska. As explained in the Department of the Treasury's February 8 response to your prior January 29 letter on this subject, the Terms of Removal (TOR) negotiated by Treasury's Office of Foreign Assets Control (OFAC) (1) demonstrated continued U.S. pressure on Russia; (2) severed Deripaska's ability to control companies he built over decades; (3) achieved unprecedented Western transparency and influence over the operation of those companies; and (4) locked up a substantial portion of Deripaska's wealth.

Your most recent letter asked about the transfer of 1.64 percent of En+ Group plc (En+) shares to the Liberi Foundation. The TOR, which lifted sanctions on En+, disclosed the completion of this transfer—which was required pursuant to a divorce agreement between Deripaska and his ex-wife predating the April 6, 2018 imposition of sanctions on Deripaska. The nature of the transfer also was discussed during congressional briefings.

The October 2017 divorce settlement required Deripaska to transfer 10,500,000 shares of En+ to a trust for the benefit of his and his ex-wife's children. That trust, the Liberi Foundation, was incorporated and registered at the end of 2017. This transfer was delayed due to the imposition of sanctions in 2018.

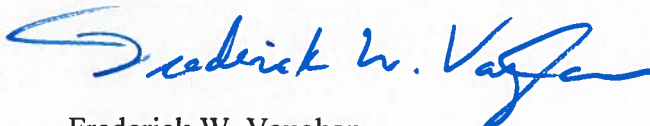
Although Deripaska's children were entitled to these shares, OFAC insisted on a transparent process for transferring the voting rights associated with those shares as a condition for lifting the sanctions on En+. Accordingly, this transfer of voting rights furthered OFAC's goal of providing Western oversight of En+, as the voting rights of these shares were stripped and transferred to an OFAC-vetted U.S. person with no personal or professional ties to Deripaska. Further, En+ is required to notify OFAC immediately of any anticipated changes in ownership of these shares. Had the sanctions not been imposed and had OFAC not effectively used its leverage during the delisting process, the Western foothold in the company would have been less.

This transfer occurred because Deripaska's children were legally entitled to these shares pursuant to an agreement finalized prior to sanctions and OFAC insisted on the conditions set forth above. Additionally, if Deripaska's children attempt to transfer these shares or proceeds to Deripaska, or act on his behalf in some other way, they risk also being designated by OFAC. The Secretary's

response at the March 14 hearing that Deripaska's children did not benefit from sanctions relief is consistent with these facts. Allowing for the transfer did not provide the children shares to which they were not entitled previously, and the TOR required the transfer of the voting rights of these shares to an independent, OFAC-vetted U.S. person.

If you have any additional questions, please direct your staff to contact the Office of Legislative Affairs.

Sincerely,



Frederick W. Vaughan  
Deputy Assistant Secretary  
Office of Legislative Affairs